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## BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

2002 JUN 17 P 4: 02

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WILLIAM A. MUNDELL  
CHAIRMAN

JIM IRVIN

JUN 17 2002

AZ CORP COMMISSION  
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IN THE MATTER OF THE GENERIC  
PROCEEDINGS CONCERNING ELECTRIC  
RESTRUCTURING ISSUES.

Docket No. E-00000A-02-0051

IN THE MATTER OF ARIZONA PUBLIC  
SERVICE COMPANY'S REQUEST FOR  
VARIANCE OF CERTAIN REQUIREMENTS  
OF A.A.C. 4-14-2-1606

Docket No. E-01345A-01-0822

IN THE MATTER OF THE GENERIC  
PROCEEDINGS CONCERNING THE  
ARIZONA INDEPENDENT SCHEDULING  
ADMINISTRATOR

Docket No. E-00000A-01-0630

IN THE MATTER OF TUCSON ELECTRIC  
COMPANY'S APPLICATION FOR A  
VARIANCE OF CERTAIN ELECTRIC POWER  
COMPETITION RULES COMPLIANCE  
DATES

Docket No. E-01933A-98-0471

ISSUES IN THE MATTER OF TUCSON  
ELECTRIC POWER COMPANY'S  
APPLICATION FOR A VARIANCE OF  
CERTAIN ELECTRIC COMPETITION RULES  
COMPLIANCE DATES

Docket No. E01933A-02-0069

**TESTIMONY SUMMARY OF AES  
NEWENERGY, INC. AND STRATEGIC  
ENERGY, LLC**

AES New Energy, Inc. ("AES NE") and Strategic Energy, LLC ("Strategic") offer the following summary of the testimony of William Monsen in the above-captioned proceeding:

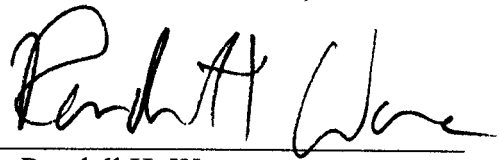
The Commission should reject TEP's proposal to deny customer choice to all of Arizona's residential customers and to C&I customers with load requirements less than 3 MW. If the Commission were to approve such an anti-competitive proposal, the end result for retail competition in Arizona would be the same as if the Commission acted to repeal the Retail Electric Competition Rules adopted in September 1999 -- it would be the death knell to retail competition in Arizona. TEP's anti-competitive proposal, if adopted by the Commission, would deny all but a

1 handful of TEP's largest customers (>3 MW) the opportunity to choose a competitive provider.  
2 This means that all of TEP's residential customers and nearly all of its non-residential customers  
3 with less than 3 MW demand, such as grocery stores, schools and government buildings, office  
4 buildings, and retail businesses such as fast food restaurants, gas stations, drug stores, bank  
5 branches, cafes, mini-marts, and dry cleaners, to list a few, will be denied the ability to assess the  
6 benefits of competition and choose for themselves. TEP's proposal is a poorly disguised attempt  
7 to derail retail competition before it has been given a fair opportunity to get off the ground. The  
8 Commission must do everything in its power to ensure the establishment of a healthy retail market  
9 to allow all Arizona consumers to realize the benefits of electricity industry restructuring and to  
10 protect themselves against incumbent retail market power. Providing all customers with the  
11 freedom to choose their own electricity service provider is the very first step that must be taken  
12 down the road towards creating a healthy retail market.

13 RESPECTFULLY SUBMITTED this 17<sup>th</sup> day of June 2002.

14 JONES, SKELTON & HOCHULI, P.L.C.

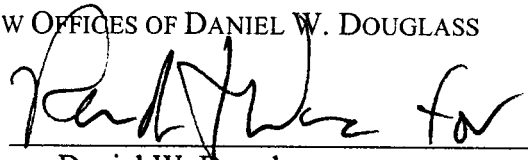
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16  
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26 Attorneys for AES NewEnergy, Inc. and  
27 Strategic Energy L.L.C.

**ORIGINAL and 10 COPIES** filed

June 17, 2002, with:

ARIZONA CORPORATION COMMISSION

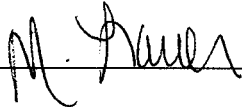
400 West Congress

Tucson, AZ 85701-1347

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on June 17, 2002 to:

All the Parties in ACC Docket No.

E-00000A-02-0051

A handwritten signature, appearing to read "M. Finner", is written over a horizontal line.